

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

**NOTE 5 - FIXED ASSETS****Summary of Changes in Fixed Assets**

The following is a summary of changes in fixed assets for the King County Primary Government:

CHANGES IN FIXED ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2001

	BALANCE <u>01/01/01</u>	<u>INCREASES</u>	<u>DECREASES</u>	BALANCE <u>12/31/01</u>
GENERAL FIXED ASSETS				
Land	\$ 287,783,236	\$ 20,744,972	\$ 17,092,819	\$ 291,435,389
Farmland development rights	58,377,713	202,218		58,579,931
Buildings	477,606,020	36,335,831	31,359,674	482,582,177
Furniture, machinery and equipment	91,378,789	31,578,184	9,202,214	113,754,759
Work in progress	53,822,542	27,726,285	16,988,164	64,560,663
TOTAL GENERAL FIXED ASSETS	<u>968,968,300</u>	<u>116,587,490</u>	<u>74,642,871</u>	<u>1,010,912,919</u>
ENTERPRISE FUNDS				
Land	185,963,127	840,800	2,106,369	184,697,558
Buildings	673,365,023	6,532,964	361,461	679,536,526
Improvements other than buildings	1,285,434,283	59,728,885	18,425,419	1,326,737,749
Furniture, machinery and equipment	1,492,958,190	98,352,254	22,297,316	1,569,013,128
Work in progress	271,600,147	216,406,835	144,651,388	343,355,594
TOTAL ENTERPRISE FUNDS	<u>3,909,320,770</u>	<u>381,861,738</u>	<u>187,841,953</u>	<u>4,103,340,555</u>
ACCUMULATED DEPRECIATION	<u>(1,336,784,471)</u>	<u>(165,843,655)</u>	<u>(18,518,890)</u>	<u>(1,484,109,236)</u>
INTERNAL SERVICE FUNDS				
Improvements other than buildings	1,216,934		27,785	1,189,149
Rental equipment	67,634,673	7,875,872	3,098,624	72,411,921
Data processing equipment	11,338,815	1,049,177	500,311	11,887,681
Telecommunication equipment	1,509,010			1,509,010
Furniture, machinery and equipment	12,525,153	768,123	3,933,008	9,360,268
Work in progress	3,015,322	399,231	1,388,590	2,025,963
TOTAL INTERNAL SERVICE FUNDS	<u>97,239,907</u>	<u>10,092,403</u>	<u>8,948,318</u>	<u>98,383,992</u>
ACCUMULATED DEPRECIATION	<u>(59,437,181)</u>	<u>(9,180,401)</u>	<u>(6,025,624)</u>	<u>(62,591,958)</u>
TOTAL FIXED ASSETS	<u>4,975,528,977</u>	<u>508,541,631</u>	<u>271,433,142</u>	<u>5,212,637,466</u>
TOTAL ACCUMULATED DEPRECIATION	<u>(1,396,221,652)</u>	<u>\$ (175,024,056)</u>	<u>\$ (24,544,514)</u>	<u>(1,546,701,194)</u>
TOTAL NET FIXED ASSETS OF PRIMARY GOVERNMENT	<u>\$ 3,579,307,325</u>			<u>\$ 3,665,936,272</u>

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**NOTE 5 - CONTINUED****Stadium Enterprise Fixed Assets**

The King County Stadium (Kingdome) was demolished on March 26, 2000, to pave the way for the construction of a new voter-approved football stadium. Stadium Enterprise fixed assets were retired as of December 31, 2000, except for a warehouse building.

**Work In Progress**

The decreases column in Enterprise Funds Work in progress represents completed projects transferred to Buildings; Improvements other than buildings; or Furniture, machinery and equipment. In the General Fixed Assets Account Group, the decreases column in Work in progress represents completed projects transferred to Buildings and the acquisition and development costs of a payroll system transferred to Equipment. General Fixed Assets Work in progress include the cost of the Financial Systems Replacement Project.

**Farmland Development Rights**

The Farmland Preservation Program was established to preserve, protect and enhance agricultural lands and open spaces. Under this program, the County has acquired farmland development rights for over 12,500 acres. "Development rights" are the rights to develop land for any uses other than farming or open space. The owner who sells development rights sells only a part of an owner's property rights and retains all other ownership rights. The owner can live on the land and use it for agriculture or open space purposes or transfer or sell the land. However, the owner of the land for which King County has purchased the development rights may not build non-farm commercial or residential buildings on the land or subdivide the land for commercial or residential development. The development rights, so purchased, are held in trust by the County for the benefit of its citizens in perpetuity.

**Estimates of Historical Costs**

The General Fixed Assets Account Group includes \$5,057,905 in buildings at estimated historical cost. To arrive at the estimate, 1974 current replacement values were reduced 2.5 percent per year for each year of estimated useful life elapsed as of 1974.

The King County International Airport Enterprise Fund fixed assets include \$1,420,933 in Buildings and \$2,916,000 in Improvements other than buildings at estimated historical cost or estimated fair market value at the date donated. All of these assets have been fully depreciated. The values were calculated by adjusting 1961 appraisal values using the appropriate index in the Marshall Valuation Service.

**General Fixed Assets Reverting to Private Ownership in Future Years**

General fixed assets in the amount of \$5,150,046, financed from Referendums #29 and #37 grants from the State of Washington, revert to private ownership in future years.

**Real Property Under Capital Lease**

King County land and buildings include the capitalized costs of the King Street Center and the Issaquah District Court properties. These properties are legally owned by private property

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**NOTE 5 - CONTINUED**

management companies who are leasing the buildings to the County under terms which are in substance capital leases. The rental payments collected include the monthly debt service costs of the privately issued bonds used to construct the buildings. The lease contracts provide for a bargain purchase option at the end of the lease term. The capital lease obligations are reported as general long-term debt of the County.

**Component Units***Harborview Medical Center*

A summary of changes in HMC fixed assets is provided by the following schedule:

CHANGES IN FIXED ASSETS  
COMPONENT UNIT - HARBORVIEW MEDICAL CENTER  
FOR THE PERIOD ENDED JUNE 30, 2001

	BALANCE <u>07/01/00</u>	<u>INCREASES</u>	<u>DECREASES</u>	BALANCE <u>06/30/01</u>
Land	\$ 1,585,972	\$	\$	\$ 1,585,972
Buildings	162,962,456	11,542,057	855	174,503,658
Improvements other than buildings	922,332	346,805		1,269,137
Furniture, machinery and equipment	210,259,244	8,457,858	3,658,564	215,058,538
Work in progress	<u>8,629,778</u>	<u>11,997,568</u>	<u>11,733,504</u>	<u>8,893,842</u>
TOTAL FIXED ASSETS	384,359,782	32,344,288	15,392,923	401,311,147
ACCUMULATED DEPRECIATION	<u>(140,595,206)</u>	<u>\$(22,406,149)</u>	<u>\$(2,773,297)</u>	<u>(160,228,058)</u>
TOTAL NET FIXED ASSETS	<u>\$ 243,764,576</u>			<u>\$ 241,083,089</u>

In addition to the above, HMC also has property held for future use which at June 30, 2001, consisted of:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Land	\$2,717,798	\$
Buildings	1,753,518	516,276
Improvements other than buildings	<u>26,344</u>	<u>21,953</u>
Total	<u>\$4,497,660</u>	<u>\$ 538,229</u>

These fixed assets are included with HMC's board-designated assets which are reported as restricted assets. (See Note 14 - "Segment Information for Enterprises," Component Unit - Harborview Medical Center Restricted Assets.)

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**NOTE 5 - CONTINUED***Washington State Major League Baseball Stadium Public Facilities District (WSMLB)*

The following are the changes in fixed assets for the WSMLB Stadium Public Facilities District. Leasehold improvements pertain to tenant improvements financed by The Baseball Club of Seattle.

CHANGES IN FIXED ASSETS  
COMPONENT UNIT - WSMLB STADIUM PUBLIC FACILITIES DISTRICT  
FOR THE PERIOD ENDED DECEMBER 31, 2001

	BALANCE <u>01/01/01</u>	<u>ADJUSTMENTS</u>	<u>INCREASES</u>	<u>DECREASES</u>	BALANCE <u>12/31/01</u>
Baseball Stadium	\$519,460,912	\$(30,699,860)	\$ 80,300	\$	\$ 488,841,352
Land	9,102,705	30,697,764			39,800,469
Leasehold Improvements			4,060,986		4,060,986
Furniture, machinery and equipment	45,297		853		46,150
TOTAL FIXED ASSETS	528,608,914	(2,096)	4,142,139	-0-	532,748,957
TOTAL ACCUMULATED DEPRECIATION	(18,370,822)	\$ 2,096	\$(12,215,882)	\$ -0-	(30,584,608)
TOTAL NET FIXED ASSETS	<u>\$510,238,092</u>				<u>\$502,164,349</u>